

Schedule 13

Funding Request for the FY 2018-19 Budget Cycle

Department of Labor And Employment

Request Title

R-01 Unemployment Insurance Reemployment Program

Dept. Approval By: M. R.

Supplemental FY 2017-18

Change Request FY 2018-19

OSP/B Approval By: [Signature]

Budget Amendment FY 2018-19

Summary Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$37,062,024	\$0	\$37,900,360	\$230,900	\$200,000
FTE		458.1	0.0	458.1	0.0	0.0
GF		\$38,361	\$0	\$38,361	\$0	\$0
CF		\$7,511,533	\$0	\$7,746,872	\$230,900	\$200,000
RF		\$0	\$0	\$0	\$0	\$0
FF		\$29,512,130	\$0	\$30,115,127	\$0	\$0

Line Item Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$37,062,024	\$0	\$37,900,360	\$230,900	\$200,000
FTE		458.1	0.0	458.1	0.0	0.0
GF		\$38,361	\$0	\$38,361	\$0	\$0
CF		\$7,511,533	\$0	\$7,746,872	\$230,900	\$200,000
RF		\$0	\$0	\$0	\$0	\$0
FF		\$29,512,130	\$0	\$30,115,127	\$0	\$0

CF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	If Yes, see schedule 4 fund source detail.
RF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
Requires Legislation?	Yes	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Labor And Employment Prioritized Request			
Interagency Approval or Related Schedule 13s:	Office of Information Technology			



COLORADO

Department of
Labor and Employment

Cost and FTE

- The Department requests \$200,000 annually from Unemployment Revenue Cash Fund in FY 2018-19 to implement an online job search readiness system for claimants of unemployment insurance benefits as part of their required work search activities. In addition we request additional funds for a one-time cost of \$30,900 for approximately 300 hours of Office of Information Technology (OIT) programming.
- This strategic support for reemployment services for UI claimants would impose no cost to employer stakeholders yet would bear a savings to the UI trust fund, which the employers fund.

Current Program

- The Unemployment Insurance Division provides temporary compensation to individuals who are laid off through no fault of their own. The payment of unemployment benefits is funded through employer premiums in the UI Trust Fund.
- Claimants of UI benefits are required to make and keep record of a minimum threshold of weekly work search activities. The current requirements for work search include only job applications, submission of resumes, and interviews.

Problem or Opportunity

- Colorado's current claim duration is 15 weeks, ranked 26th in the nation. In addition, our rate of exhaustion of benefits is 42.9%, ranked 8th when the national exhaustion rate is 36.8%.
- Required weekly job search activities do not include job preparedness activities (e.g. resume building, reemployment plan building). Incorporating job preparedness activities as part of work search requirements gives claimants skills to find suitable, quality work faster. This shortens the time to return to work thereby reducing claim duration.
- Reducing claim duration by 5%-10% annually (.5-1.5 weeks of shorter duration) would demonstrate an estimated \$30 million per year savings respectively to the UI trust fund.
- Unemployment programs in Utah, Indiana, and Mississippi have implemented similar programs and have seen demonstrable results in claimant self-assessment in preparedness, claim duration and total cost savings (UI Trust Fund and operations). While there are many factors that can affect the UI claim duration as an example of such a program's impact, in the first year of implementation (through 6/30/13) Utah's average UI duration went from 14.2 weeks to 13.3 weeks. The .9 weeks reduction in average weeks equaled approximately \$14.2 million in estimated trust fund savings. Utah's total unemployment rate also declined from an average of 6.1% to 5.2% during the same period.

Consequences of Problem

- Without measures to improve re-employment and reduce claim duration for the broad customer base, the solvency of the UI Trust Fund is at higher risk, and ongoing workload and operational costs are increased.
- In addition, the needs of the long term unemployed typically require a variety of safety net program supports (beyond just UI) and thereby can increase operational costs across said programs.

Proposed Solution

- UI would purchase from a vendor licenses to access a suite of online job preparedness modules and the data sharing to track the use of the system and its modules. Minimum requirements will be designed for all qualifying claimants (approximately 90% of all claimants) to complete in assist in their re-employment efforts.
- UI will continue to track claim duration and will expect to see an overall decrease in this as well as in the claim exhaustion rate.



COLORADO

Department of Labor and Employment

Governor

Executive Director

Department Priority: R-01

Request Detail: Unemployment Insurance Reemployment Program

Summary of Incremental Funding Change for FY 2018-19	Total Funds	Cash Funds
Unemployment Insurance Reemployment Program	\$230,900	\$230,900

Problem or Opportunity:

The Unemployment Insurance (UI) Division provides temporary compensation to individuals who are laid off through no fault of their own. The payment of unemployment benefits (up to 26 weeks) is funded through employer premiums in the UI Trust Fund. While Colorado, in recent history, has had a historically low unemployment rate, currently at 2.3% compared to 4.3% nationally (May 2017), there is room for improvement in other key performance metrics. Two such metrics include claim duration average and benefit exhaustion rate. The UI claim duration measures the average claimant's stay (in weeks) on unemployment benefits. The benefit exhaustion rate measures the rolling average percentage of claimants who receive benefits throughout the entire 26 week eligibility period. Colorado's current claim duration average is 15 weeks, currently 26th highest in the nation. Our rate of exhaustion of benefits is 42.9%, ranked 8th highest, while the current national exhaustion rate is 36.8%. Higher duration rates mean claimants are out of work longer, impacting their livelihood and the economy. Higher figures on both these metrics also are a strain on the UI Trust Fund and, thereby, threaten its solvency.

UI has been actively engaged in improving services of the UI program, including the enhancement of reemployment efforts. While the primary mission of UI is to render decision of benefits, assisting claimants in returning to meaningful work is increasingly recognized as part of our responsibility. Both nationally and statewide, the climate is shifting to develop a more cohesive partnership among service providers to better meet the entirety of needs of individuals seeking services in lieu of the historical 'siloe'd' approach. In 2014 the United States Department of Labor (USDOL) enacted the Workforce Innovation and Opportunity Act (WIOA) to reform and modernize the public workforce system. It brings together and enhances several key employment, education, and training programs. UI is a required partner of WIOA. This federal legislation requires UI to make a concerted effort in more extensive support and promotion of reemployment for its benefits claimants. UI had historically relied primarily on Workforce Programs to advance reemployment efforts. This new partnered approach is designed to make it easier for individuals to navigate complex systems as well as to enhance the State's ability to provide the critical variety of services with increased impact. In addition, this method optimizes the support provided to our mutual customer base by streamlining the provided services to avoid system redundancies. As such, UI's role has evolved and is recognized as a critical partner in advancing reemployment for customers receiving UI

benefits. The advantages of claimants returning to work are significant to the claimants, employers, the UI program as well as other safety net programs and to the economy at large. It is critical that we enhance these services in order to reap the benefits in all of these areas.

In its current state UI reemployment efforts have concentrated on ensuring that claimants are actively seeking work to the levels required by program guidelines. A focus of the expansion of the UI reemployment scope includes modifying requirements for claimants as they receive UI benefits. The current requirement for claimants is to make and keep record of a minimum threshold of weekly work search activities. Claimants are also required to register with the state labor exchange system (Connecting Colorado). These work search activities include only job applications, submission of resumes, and interviews and do not include job preparedness activities (e.g. resume building, reemployment plan building, interviewing skill prep, etc.). There is an opportunity to enhance UI support to the workforce centers in providing services and tools for the UI claimants' reemployment efforts.

USDOL has provided guidance and information on the current dynamic marketplace and how to more effectively search for work. The guidance encourages each state to re-imagine the work search requirements to include and motivate claimants to design and customize their individual work search and reemployment plan. Further, USDOL encourages states to include job preparedness activities that support and promote the success in finding high quality work quickly.

Other state successes:

Unemployment offices in Utah, Indiana, and Mississippi have implemented such job preparedness activities within work search requirements and have seen demonstrable results in claimant self-assessment in job search readiness, claim duration and total cost savings (UI Trust Fund and operations). While there are many factors that can affect the UI claim duration as an example of such a program's impact, in the first year of implementation (through 6/30/13) Utah's average UI duration went from 14.2 weeks to 13.3 weeks. The .9 weeks reduction in average weeks equaled approximately \$14.2 million in estimated trust fund savings.

The American Institute for Full Employment determined through studies in Utah, Mississippi, and Indiana a skill gap in "job search ability" at different stages of claim duration. The claimants in those studies rated themselves in a self-assessment survey a D+ job search skill rating prior to accessing a suite of job preparedness modules. After meeting those states' requirement by completing four job preparedness modules, those same claimants self-assessed their job search skills at a B+ which marked a significant improvement.

Proposed Solution:

The Department requests \$200,000 annually from the Unemployment Revenue Cash in SFY 2018-19 to implement a new online job search readiness system for claimants of unemployment insurance as part of their required work search activities. In addition the Department is requesting a one-time cost of \$30,900 (300 hours of Office of Information Technology (OIT) programming at \$103 and hour). The strategic use of cash collections to support reemployment services for UI claimants would impose no cost to employer stakeholders yet would bear a savings to the UI trust fund, which the employers fund.

The Department would purchase from a vendor licenses for claimant access to a suite of online job preparedness modules. The department would implement a setup modeled on what was deemed best practices in other states. Some examples could include the following types of modules:

1. Guide & quick tips to starting their job search
2. Wizard to build a customizable reemployment plan
3. Resume builder and include options to multiple types and information on which is appropriate for type of job
4. Cover letter builder
5. Career assistance
6. How to contact employers throughout the application, interview, and follow up process
7. Interviewing skills – How to prepare, what is appropriate to wear for the type of job, what to say and not to say, which questions to ask, etc.
8. How to utilize online job boards
9. How to network

The system will be all inclusive with intuitive and self-guiding modules through a combination of written information, short quizzes, videos, wizard builders, links to online job search engines, and individual completion dashboard. The vendor will be required to provide data in tracking the use of the system, the modules used, and for the compliance requirements of the system.

Minimum requirements will be designed for all qualifying claimants (approximately 90% of all claimants) to complete. The claimants will be required to complete specific modules in combination with other modules of their choice. They will have access to the entirety of the suite if they choose to utilize more modules than what would meet the basic requirements to support their reemployment efforts.

If there is no engagement initially, a disqualification will be imposed until the claimant re-engages into the system as part of their accountability. Once the claimant re-engages and meets the requirements, the disqualification decision will be reversed to allow benefits.

Anticipated Outcomes:

Colorado expects to see a decrease in duration and exhaustion rates as demonstrated by other states. Based on data obtained from the Division of Labor Statistics and Standards' Office of Labor Market Information, in Colorado, reducing claim duration by 1 week annually (7.5% shorter duration) would demonstrate an estimated \$30 million annual savings to the UI trust fund.

Other anticipated outcomes:

- Increase job preparedness skills for UI claimants
- Improve longer-term employment and wages
- Improve the ability for employers to hire high quality workers who know how to identify their transferable skills
- Increased economic stabilization
- Increased UI Trust Fund solvency

Assumptions and Calculations:**Estimated Timeline and Costs:**

- Project Duration - XX weeks
- There is no FTE included in this funding request.

Steps to be completed	Start Date	Completion Date	Weeks
Requirements Gathering	05/01/17	06/24/17	8
RFP Documentation	06/25/17	07/20/17	4
RFP Publication, Response Review and Vendor Selection	08/07/17	09/17/17	6
Finalize Vendor SOW	09/18/17	10/31/17	6
Application Design / Development	11/01/17	11/10/17	1.5
Functional / User Test	N/A	N/A	N/A
Deployment / Warranty	11/12/17 (pilot) 08/01/18 (full implementation)	11/18/17	

Implementation Costs with a Vendor	\$200,000
Training of OIT staff and Program Staff in SaaS platform	
Project Management provided by OIT as Interagency Agreement	
Software licenses (SaaS, database, network)	
Equipment costs	
Disaster Recovery	
Total	

Schedule 13

Funding Request for the FY 2018-19 Budget Cycle

Department of Labor And Employment

Request Title

R - 02 ILC Provider Rate Increase

Dept. Approval By: *[Signature]*

Supplemental FY 2017-18

Change Request FY 2018-19

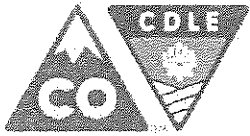
OSPB Approval By: *[Signature]*

Budget Amendment FY 2018-19

Summary Information	Fund	FY 2017-18	FY 2018-19		FY 2019-20	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$7,061,420	\$0	\$7,061,420	\$66,668	\$66,668
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$6,666,844	\$0	\$6,666,844	\$66,668	\$66,668
	CF	\$30,036	\$0	\$30,036	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$364,540	\$0	\$364,540	\$0	\$0

Line Item Information	Fund	FY 2017-18	FY 2018-19		FY 2019-20	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$7,061,420	\$0	\$7,061,420	\$66,668	\$66,668
07, Division of Vocational Rehabilitation, (B) Office of Independent Living - Independent Living Services	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$6,666,844	\$0	\$6,666,844	\$66,668	\$66,668
	CF	\$30,036	\$0	\$30,036	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$364,540	\$0	\$364,540	\$0	\$0

CF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	If Yes, see schedule 4 fund source detail.
RF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
Requires Legislation?	Yes	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Labor And Employment Prioritized Request			
Interagency Approval or Related Schedule 13s:	None			



COLORADO

Department of
Labor and Employment

Cost and FTE

- The Department requests up to \$66,668 spending authority in FY 2018-19 and beyond to account for a community provider rate increase of 1.0 percent.

Current Program

- The Independent Living Services line provides funding to nine independent living centers statewide who contract with the Department of Labor and Employment (CDLE) to provide five core services of advocacy, information and referral, peer support, independent living, and transition services for the disabled, pursuant to the statewide plan for independent living.
- For FY 2017-18, the Department was allocated \$7,061,420, of which \$6,666,844 was General Fund and \$364,540 was Federal Funds. This request represents a 1 percent increase applied to General Funds.

Problem or Opportunity

- In FY 2018-19, the Governor's Office established a community provider rate increase of 1.0 percent, to include the Independent Living Centers who contract with the Department of Labor and Employment (CDLE) to provide five core services of advocacy, information and referral, peer support, independent living, and transition services for the disabled pursuant to the Statewide Plan for Independent Living (SPIL). The Department requests an increase of \$66,668, which represents a 1.0 percent increase for service provision.

Consequences of Problem

- If not funded, the Centers for Independent Living may be forced to absorb inflationary costs of service provision, thereby crowding out available funds for service provision of five core services.

Proposed Solution

- The Department requests an increase of \$66,668 in the Office of Independent Living Services to address continued inflationary increases experienced statewide by community service providers and to provide the same standard of services to the disabled.



COLORADO

Department of Labor and Employment

Governor

Executive Director

Department Priority: R-02

Request Detail: Independent Living Services Provider Rate Increase

Summary of Incremental Funding Change for FY 2018-19	Total Funds	General Fund
Independent Living Services Rate Increase	\$66,668	66,668

Problem or Opportunity:

In FY 2018-19, the Governor's Office established a community provider rate increase of 1.0 percent, to include the Independent Living Centers who contract with the Department of Labor and Employment (CDLE) to provide five core services of advocacy, information and referral, peer support, independent living, and transition services for the disabled pursuant to the statewide plan for independent living. The Department requests an increase of \$66,668, which represents a 1.0 percent increase for service provision.

Proposed Solution:

The Department requests an increase of \$66,668 in the Office of Independent Living Services to address continued inflationary increases and to provide the same standard of services to the disabled.

Anticipated Outcomes:

With the increased funding, the Department would be able to pass this increase on to independent living centers.

Assumptions and Calculations:

Calculations are based on a 1.0 percent across the board rate increase for the Long Bill General Fund Appropriation for Independent Living Services of \$6,666,844.

Schedule 13

Funding Request for the FY 2018-19 Budget Cycle

Department of Labor And Employment

Request Title

NP - 01 Cybersecurity Liability Insurance Policy

Dept. Approval By: *M. [Signature]*

Supplemental FY 2017-18

Change Request FY 2018-19

DSPB Approval By: *[Signature]*

Budget Amendment FY 2018-19

Summary Information	Fund	FY 2017-18		FY 2018-19	FY 2019-20	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$148,078	\$0	\$129,077	\$4,072	\$4,072
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$8,860	\$0	\$8,558	\$102	\$102
	CF	\$38,799	\$0	\$33,969	\$1,170	\$1,170
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$100,397	\$0	\$89,450	\$2,800	\$2,800

Line Item Information	Fund	FY 2017-18		FY 2018-19	FY 2019-20	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$148,078	\$0	\$129,077	\$4,072	\$4,072
FTE		0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office - Payment To Risk Management And Property Funds	GF	\$8,860	\$0	\$8,558	\$102	\$102
	CF	\$38,799	\$0	\$33,969	\$1,170	\$1,170
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$100,397	\$0	\$89,450	\$2,800	\$2,800

CF Lettermate Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	If Yes, see schedule 4 fund source data.
RF Lettermate Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
FF Lettermate Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
Requires Legislation?	Yes	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Labor And Employment Non-Prioritized Request			
Interagency Approval or Related Schedule	Department of Personnel and Administration			

Schedule 13

Funding Request for the FY 2018-19 Budget Cycle

Department of Labor And Employment

Request Title

NP - 02 OIT Operating System and Office Productivity Service

Dept. Approval By: *M. [Signature]*

Supplemental FY 2017-18

X

Change Request FY 2018-19

OSPB Approval By: *[Signature]*

Budget Amendment FY 2018-19

Summary Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$11,800,747	\$0	\$12,468,016	\$86,998	\$0
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$2,519,930	\$0	\$2,821,535	\$0	\$0
	CF	\$4,768,718	\$0	\$4,968,894	\$27,520	\$0
	RF	\$383,244	\$0	\$383,244	\$0	\$0
	FF	\$4,128,855	\$0	\$4,285,542	\$58,478	\$0

Line Item Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$11,247,120	\$0	\$11,904,388	\$420,999	\$0
FTE		0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office - Payments to OIT	GF	\$2,519,930	\$0	\$2,821,535	\$0	\$0
	CF	\$4,583,375	\$0	\$4,791,351	\$133,620	\$0
	RF	\$383,244	\$0	\$383,244	\$0	\$0
	FF	\$3,750,571	\$0	\$3,908,258	\$287,378	\$0
Total		\$883,627	\$0	\$663,627	(\$336,001)	\$0
FTE		0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office - Information Technology Asset Maintenance	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$175,343	\$0	\$175,343	(\$106,100)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$378,284	\$0	\$378,284	(\$228,901)	\$0

CF Letternote Text Revision Required?	Yes	No	<u>X</u>	If Yes, see schedule 4 fund source detail.
RF Letternote Text Revision Required?	Yes	No	<u>X</u>	
FF Letternote Text Revision Required?	Yes	No	<u>X</u>	
Requires Legislation?	Yes	No	<u>X</u>	
Type of Request?	Department of Labor And Employment Non-Prioritized Request			
Interagency Approval or Related Schedule 13s:	Office of Information Technology			

Schedule 13

Funding Request for the FY 2018-19 Budget Cycle

Department of Labor And Employment

Request Title

NP-03 Annual Fleet Vehicle Request

Dept. Approval By: *[Signature]*

Supplemental FY 2017-18

Change Request FY 2018-19

OSPB Approval By: *[Signature]*

Budget Amendment FY 2018-19

Summary Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Change	
					Request	Continuation
Total		\$190,733	\$0	\$190,733	\$15,603	\$0
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$10,829	\$0	\$10,829	\$1,212	\$0
	CF	\$119,875	\$0	\$119,875	\$9,915	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$60,229	\$0	\$60,229	\$4,478	\$0

Line Item Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Change	
					Request	Continuation
Total		\$190,733	\$0	\$190,733	\$15,603	\$0
FTE		0.0	0.0	0.0	0.0	0.0
01, Executive Director's Office - Vehicle Lease Payments	GF	\$10,829	\$0	\$10,829	\$1,212	\$0
	CF	\$119,875	\$0	\$119,875	\$9,915	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$60,229	\$0	\$60,229	\$4,478	\$0

CF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	If Yes, see schedule 4 fund source detail.
RF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
Requires Legislation?	Yes	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Labor And Employment Non-Prioritized Request			
Interagency Approval or Related Schedule 13s:	Department of Personnel and Administration			